

# TOYOBO TOYOBO MC Corporation

## Management Plan

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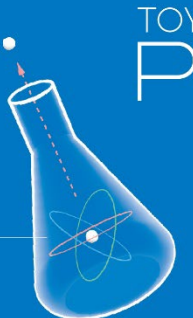
Press Conference  
April 6, 2023

President & Representative Director, CEO Chikao Morishige

Executive Vice-president & Representative Director, COO Juro Baba



TOYOBO MC will solve global issues with high-performance materials to realize “TOYOBO PVVs”



Principle

Vision

Values

TOYOBO PVVs

Principle  
“Jun-Ri-Soku-Yu”

Adhering to reason leads to prosperity

“Jun-Ri”

- Do what must be done (positive standpoint)
- Don't do what must not be done (defensive standpoint)

“Soku-Yu”

Adhering to “Jun-Ri” leads to a prosperous society while also realizing self-growth

Vision

We will continue to create the solutions needed by people and the earth with our materials and science

Values

Welcome change. Enjoy change. Create change.

TOYOBO Spirit 9 Commitments

Challenge	Reliability	Collaboration
Think Ahead	Safety First	Mutual Communication
Create	Customer Satisfaction	Diversity
Accomplish	Factual Basis	Providing Opportunities

## Vision

Solve global issues with high-performance materials

- By globally developing high-value-added functional materials, we will contribute to solving the world's problems.

## Mission

### ① Never stop transforming ourselves

- We recognize that standing still in a dramatically changing business environment is a risk. We will continue evolving.

### ② Answering future needs with our unique material technology and network

- We will answer needs from future mega trends by combining TOYOBO’s unique technology with Mitsubishi Corporation’s broad and global network.

### ③ Create solutions to societal challenges through collaboration

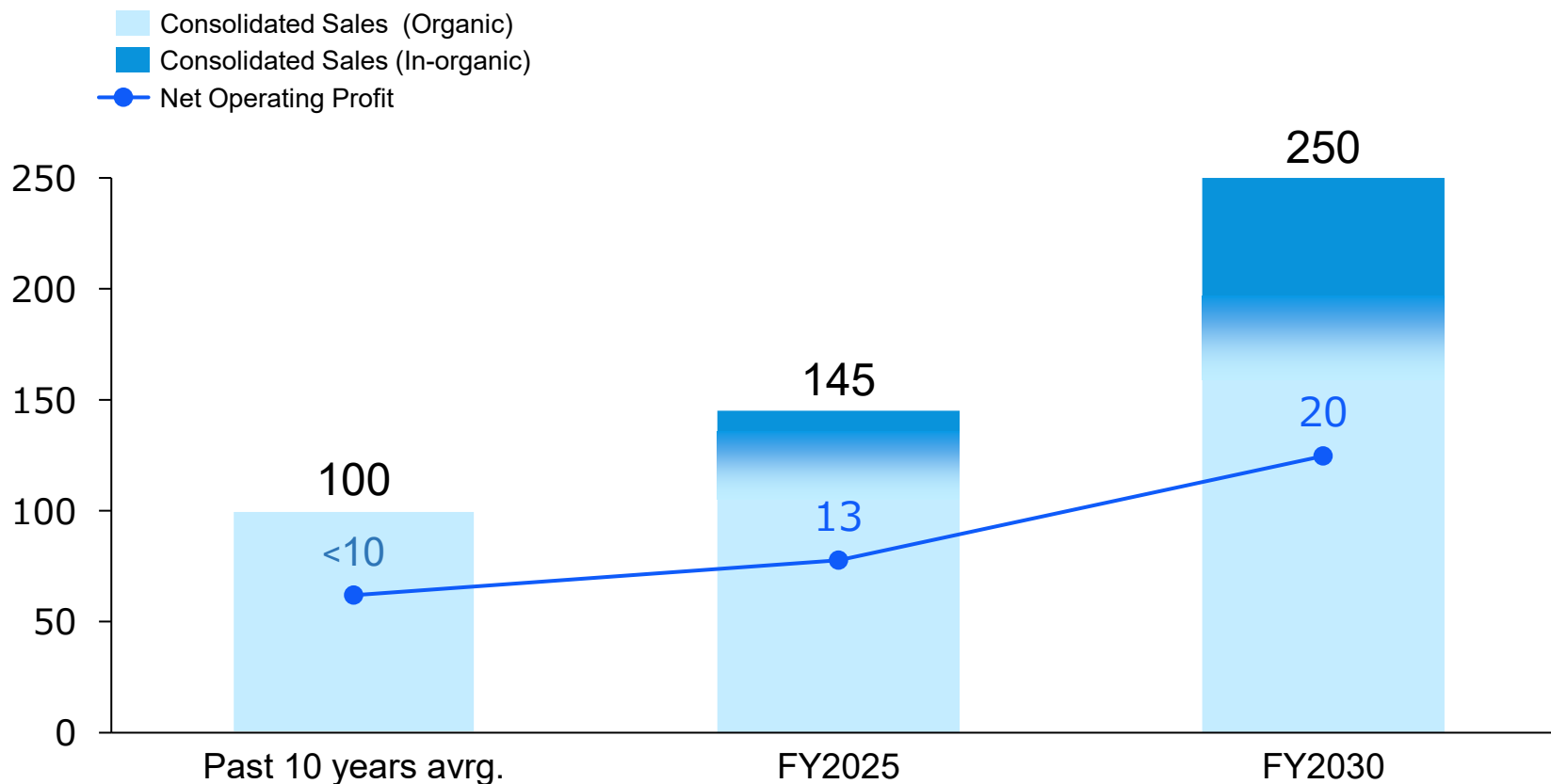
- We will generate value by providing solutions to societal challenges through collaboration with internal and external partners.

# 2030 Growth target

Achieve consolidated sales of 250 billion JPY by FY2030 through portfolio management and growth strategy in both organic and in-organic

## Quantitative Target

Unit: Billion JPY



## Strategy

### Inorganic

- Fortifying market position
- Acquisition of overseas customer base
- Acquisition of technology
- Other strategic alliances

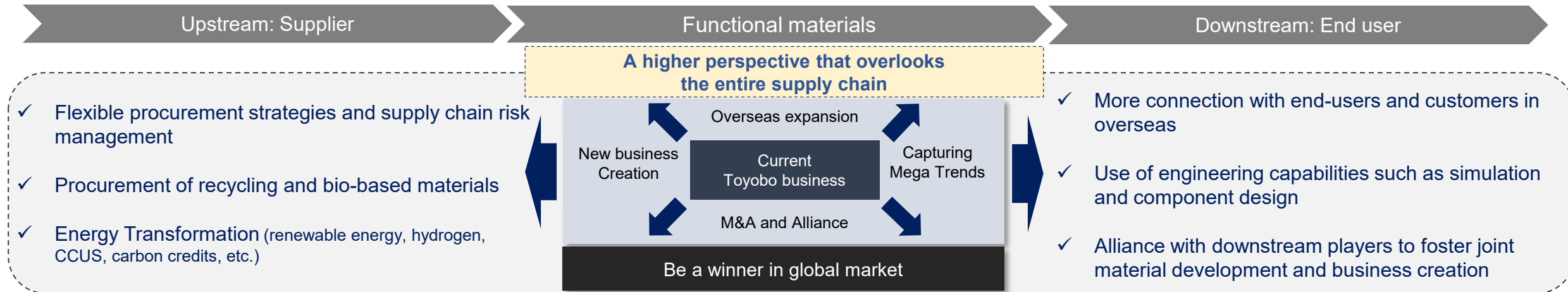
### Organic

- Sales expansion in overseas market
- Acceleration of R&D for growing business
- Implementation of profit improvement measures

**Performing proper measures allined with portfolio strategy**

# Competitiveness of the new company

The New Co. aims sustainable growth, leveraging the capabilities of two companies



	Toyobo's technology		Mitsubishi Corporation's management resource
Human resources	<ul style="list-style-type: none"> <li>• Professionals of functional materials               <ul style="list-style-type: none"> <li>– HR with technical, product and industry knowledge</li> </ul> </li> </ul>	⊗	<ul style="list-style-type: none"> <li>• Experienced management and marketing staffs               <ul style="list-style-type: none"> <li>– HR experienced in managing a wide range of industries</li> </ul> </li> </ul>
Business	<ul style="list-style-type: none"> <li>• Edgy products with high market share               <ul style="list-style-type: none"> <li>– Possessing multiple niche top products</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Overseas marketing and procurement network               <ul style="list-style-type: none"> <li>– Utilize global sales arms and distributor network</li> </ul> </li> <li>• Promotion of inorganic strategy               <ul style="list-style-type: none"> <li>– Promote alliances and M&amp;A</li> </ul> </li> </ul>
Foundation	<ul style="list-style-type: none"> <li>• Customer base in Japanese market               <ul style="list-style-type: none"> <li>– Having a stable marketing base for production / sales / development</li> </ul> </li> <li>• R&amp;D capabilities               <ul style="list-style-type: none"> <li>– Possessing skills in customization and recipes development</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Management know-how               <ul style="list-style-type: none"> <li>– Portfolio management and administration know-how</li> </ul> </li> <li>• Energy Transformation (EX) / Digitization (DX)               <ul style="list-style-type: none"> <li>– Taking advantage of MC's comprehensive capabilities to promote environmental and digital initiatives</li> </ul> </li> </ul>

Take strategic action in accordance with the portfolio strategy, which is based on business life cycle

Flag Target market Strategic Direction

## Growth (Early ~ Growth stage)

### Active investment / Top-line expansion

Revenue and EBITDA ↑

**Environmental Solutions**

- VOC deodorization system
- Water treatment membrane
- New membrane

Develop next-generation technology to solve environmental issues

**Mobility and electronic materials**

- High-Performance Engineering plastics
- Adhesives
- Eco-friendly paints
- Sealants

Promote global presence in mobility and electronics industry

## Cash-cow (Growth ~ Matured stage)

### Fortifying cash cow position

Profit Margins and ROIC ↑

**chemical products**

- Eco-friendly printing resin
- Medicinal and pesticide intermediates

Explore opportunities in overseas market

**High-performance fiber**

- Ultra-High-Strength fiber
- Three-dimensional fiber structure (Cushion material)

Develop new applications

## Transformation (Matured stage)

### Improve profitability and business model transformation

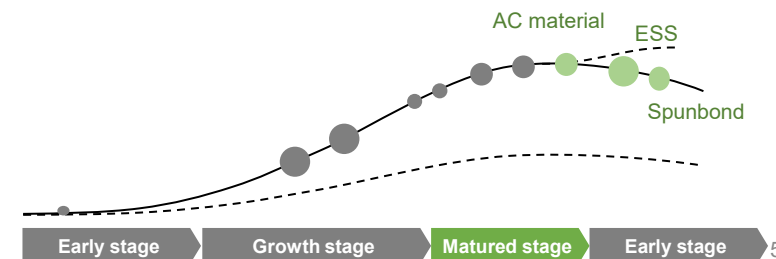
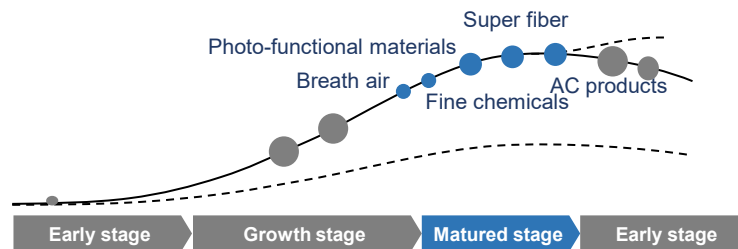
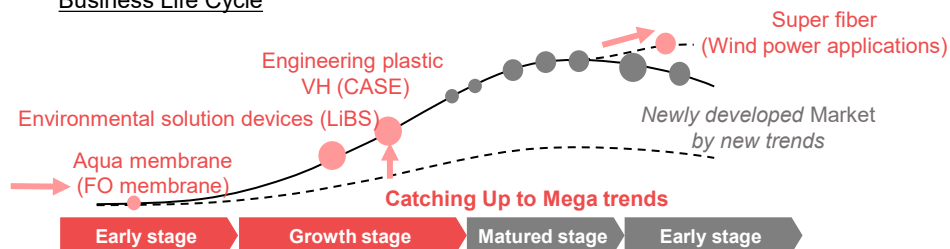
Profit Margins and ROIC ↑

**Non-woven fabric related**

- Non-woven fabric related products
- Activated carbon fiber
- Processed goods

Reinforce competitiveness  
Consider potential alliance

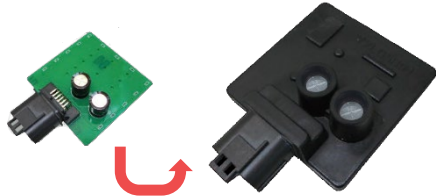
### Business Life Cycle



# Examples: Initiatives for sustainable growth

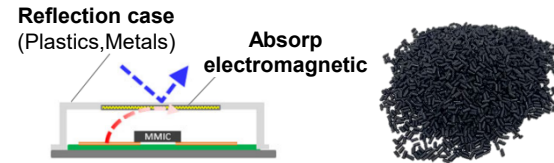
## Mobility and Electronics

### Low pressure sealing material "Vyloshot"



- ✓ Achieve lightweight, high heat resistance, high water resistance, and high strength sealing required for **electronics boards and sensors**

### Electromagnetic wave absorbing resin



- ✓ The resin enables noise reduction required for **advanced sensing and high-speed communication**

\*Jointly developed with Daido Steel Co., Ltd

## Environmental Solutions

### VOC deodorization system



- ✓ Achieve world-class recovery rates to collect methylene chloride, etc., used in **LiB Separator Manufacturing**

### BC membrane



- ✓ Achieve high efficiency and low energy consumption to condense **lithium and salt** (70% less energy consumption than existing technology)

ToyoBO's advanced technology (example)

Synergies

**TOYOBO**  
Beyond Horizons

- ✓ Own **technologies and products that support innovation**, including CASE trend
- ✓ Customer base in domestic and Asian markets

**Mitsubishi Corporation** **BEYOND MATERIALS**

- ✓ Recruited **application engineers** such as ex-OEM R&D to support marketing
- ✓ **Engineering capability** of developing materials to module components
- ✓ Provide **Broad customer access** to Top OEMs in Europe and US market

**TOYOBO**  
Beyond Horizons

- ✓ Own **technologies and products, which are potentially to be global Defacto standard**
- ✓ Customer base in domestic and Asian markets

**Mitsubishi Corporation**

- ✓ Offer Contact Points with Automobile, LiB and Semiconductor Industries
- ✓ Utilize 111 **overseas bases**, 1,700 **operating companies** to provide **customer access**



Transform business model from simple material sales to providing material solution in the global market



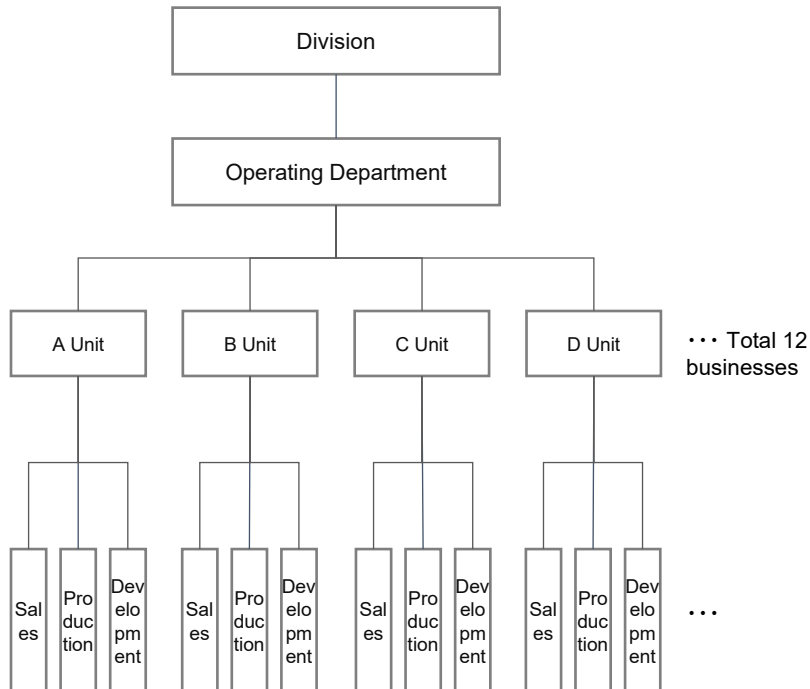
Reinforce global marketing and business creation capability, leveraging with market intelligence and global network

## Build a strong organizational and management foundation to implement strategies

### Before Business unit system

#### Challenges

Since each BU has been siloed and segregated in a long history, fluidity of information and resources has been hindered



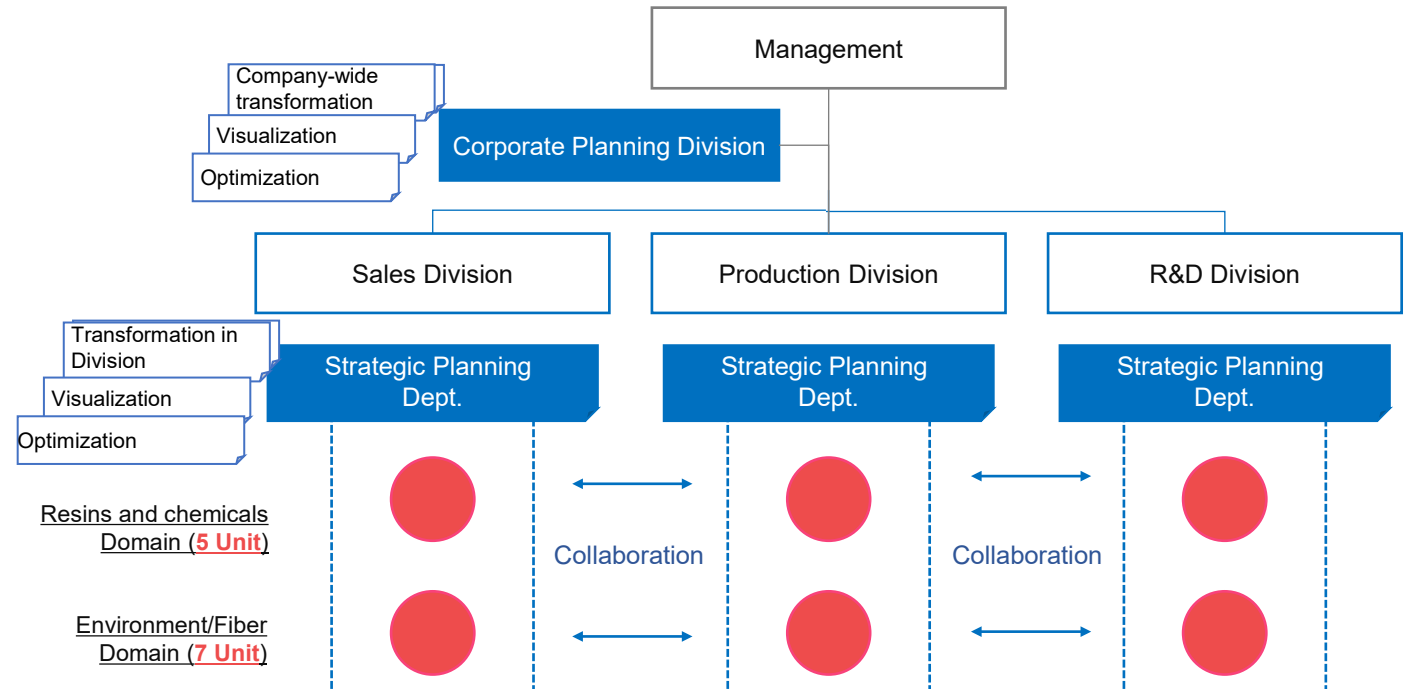
### After Functional division System

#### ① Strengthen planning function

Set strategic planning dept. in each division to **shape mid/long term strategy along with portfolio policy**

#### ② Strengthen execution

Regroup small BU into 3 divisions and 2 major domains to promote **dynamic resource shifts and execution of strategy**



# TOYOBO

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